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Some of what you might want or need to know about Medicare

More than 44 million Americans are enrolled in the Medicare program with more being added every day. This program is complicated and confusing for many, especially those who are just turning 65 years of age or have qualified for Social Security Disability and passed the waiting period. There remains a high risk of making mistakes that can be costly, even if it is just failing to understand some of the nuances of the Medicare program that can make it work better for you.

One of the more common mistakes made by new Medicare enrollees is failing to determine if he or she will continue to be covered by his or her employee medical insurance plan after age 65. Making the decision to enroll in Medicare Part A is fairly easy since most people will not pay a premium for Part A (hospital coverage). Where it gets trickier is deciding on whether to pay for Part B which covers outpatient and doctor visits. If your employer provides "creditable coverage," that is, coverage that is as good as or better than Part B coverage, and such coverage will continue beyond your attaining age 65, then you do not need to sign up for Part B and pay the premiums. Premiums for Part B are tied to income so the more you make, the higher the premiums will be. There will also be an Income Related Monthly Adjustment Amount (IRMAA) for any Part D prescription plan purchased. For more information on IRMAA, see Medicare Costs at a Glance on www.medicare.gov.

Another mistake is to assume that Medicare and full retirement age are the same. Many people work even past their full retirement age, so it is important to start examining your Medicare options when you are age 64 so that you can be prepared. Failure to sign up for Part B and Part D when eligible (within the window of three months before or three months after the month that you turn 65) and provided that you do not have "creditable coverage" as mentioned above, will result in a lifetime penalty of higher premiums based on the number of months that you fail to buy Part B and Part D coverage.

Suppose you are paying for Medicare Part B and Part D coverage and are subject to IRMAA due to your income level. IRMAA is calculated based upon the income reported two years ago which then determines the current Medicare surcharge. The calculation is done by using your adjusted gross income and adding back some normally excluded income such as tax exempt interest, and U.S savings bond interest used to pay tuition. However, if your income changes, you can request a review of your income by submitting documentation of the change. For instance, if the household income was \$100,000 in 2016 and dropped to \$50,000 in 2017, contact Social Security for the forms needed to prove the change and the reason for same.

The decision processes necessary when initiating Medicare coverage can be a minefield since a misstep can result in higher costs and lack of coverage when you need it most. These are just a few items to take under consideration. Go to www.medicare.gov, or contact a local APPRISE counselor through the County Department of Aging, or speak to an elder law attorney for more information.